SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SUPPLEMENTARY INFORMATION SCHEDULE

I. General

All state agencies that receive federal assistance, either directly from the federal government, through another state agency or institution, or through a third-party pass-through entity, must prepare one or both of the following schedules for the year ended June 30, 2015:

- **Schedule of Expenditures of Federal Awards**
- **Supplementary Information Schedule**

The **Schedule of Expenditures of Federal Awards** includes only assistance received directly from the federal government or through a third party (that is not another state agency or institution). Federal assistance is not limited to cash assistance programs; it also includes non-financial assistance such as commodities, donated property, loans, and loan guarantees.

The **Supplementary Information Schedule** contains only federal assistance received through another state agency or institution.

The structure and format of these schedules are similar.

In general, all transactions pertaining to the same grant should be reported on a single line, except for grants that include both American Recovery and Reinvestment Act (ARRA) expenditures and non-ARRA expenditures; for those grants, ARRA and non-ARRA expenditures **must** be reported separately. Also, grants should be reported by grant, not by business unit.

NOTE – If your agency did not receive any federal assistance, either directly from the federal government, through another state agency or institution, or through an outside third-party entity, during the year ended June 30, 2015, email Randy Ross at randy.ross@tn.gov and state in your email that: (1) your agency received no federal assistance during the year ended June 30, 2015, and (2) that your agency is therefore not required to submit either a Schedule of Expenditures of Federal Awards or a Supplementary Information Schedule.

II. Schedule of Expenditures of Federal Awards (SEFA)

A. **Contents of the SEFA** – The information to be included on the SEFA is detailed below. For an example of the SEFA, see **Exhibit 1**.

1. General SEFA information –

   a. Edison query **TN_GR06_SEFA_EXP** should be used to prepare the SEFA. Any federal expenditures not accounted for using the Edison grant module (i.e., an exception to Finance and Administration Policy 20 was granted, or noncash assistance was received) must be included in the SEFA and documented on the reconciliation as reconciling items between TN_GR06_SEFA_EXP and the general ledger (see section II.B. Reconciliations).

   b. A pre-formatted Excel spreadsheet to be used in preparing the SEFA will be available for download in the Job Aids section of the Division of Accounts website. **The SEFA for FY15 must be prepared using the FY15 pre-formatted Excel spreadsheet**.

   c. The font on the pre-formatted schedule is Times New Roman, font size 7.5. The Expenditures/Issues column is formatted as Accounting, two decimal places, no symbol; all other columns are formatted as text.

   d. Grants should be listed single-spaced beginning on Excel row 24.

   e. Information should not be entered in all capital letters (i.e., Head Start, **not** HEAD START), unless the CFDA is formatted in all capital letters.

2. Header – Enter all header information in Excel column O. For multiple DUNS numbers, enter them in the appropriate row in column O separated by commas.

3. Column heading <u>**R**</u> (Excel column A) – RESEARCH – This column is used to indicate if the federal assistance is a Research and Development (R&D) grant. For each R&D grant, this column should contain an ‘R’; for all other grants, this column should be left blank.

   R&D grants and contracts are awarded based on research proposals submitted to federal agencies or pass-through entities and are most commonly awarded to colleges and universities. The federal agencies or pass-through entities will inform the recipient if the award is for R&D.

   NOTE – If ‘R’ is entered in this column, an other identifying number, if available, should be entered in the Other Identifying # column (see #15 below).

   NOTE – All grants awarded by the National Science Foundation with proposals due on or after January 14, 2013 **must** be reported as R&D grants for SEFA purposes, regardless of the purpose of the grant.

4. Column heading **C** (Excel column C) – CASH – This column is used to indicate the type of assistance received. If the assistance is cash, this column should contain a 'C'. If the assistance is other than cash, this column should contain an 'N'.

5. Column heading **P** (Excel column E) – PAYER – This column is used to indicate the source of the federal assistance. If the assistance is received directly from the federal government, this column should contain an 'F'. If the assistance is received from a third-party pass-through entity, this column should contain a 'T'.

   NOTE – If 'T' is entered in this column, an other identifying number **must** be entered in the Other Identifying # column (see #15 below).

6. Column heading **F** (Excel column G) – FOR-PROFIT – This column is used to indicate whether the pass-through entity is a for-profit entity or a non-profit entity. If the pass-through entity is a for-profit entity, this column should contain an 'F'. If the pass-through entity is a non-profit entity, this column should contain an 'N'. If column heading P (Excel column E) contains an 'F', this column should be left blank. Each grant with a 'T' in the column heading P (Excel column E) should include either an 'F' or an 'N' in this column.

   NOTE – If you need assistance with determining the profit status of a pass-through entity, either check the entity's website, contact the entity directly, or search the IRS website for non-profit entities at www.irs.gov/charities. Colleges, universities, and other governments should be reported as non-profit entities.

7. Column heading **L** (Excel column I) – LOANS OR LOAN GUARANTEES – This column is used to indicate if the federal assistance involves loans or loan guarantees. If the assistance involves loans or loan guarantees, this column should contain an 'L'. For all other grants, this column should be left blank.

8. Column heading **A** (Excel column K) – ARRA – This column is used to indicate if the federal assistance was funded under the American Recovery and Reinvestment Act (ARRA). If the assistance was funded under ARRA, this column should contain an 'A'. For all other grants, this column should be left blank.

   NOTE – ARRA requires that all ARRA assistance be reported separately from non-ARRA assistance. Grants that include both ARRA and non-ARRA expenditures **must** be reported on two separate lines, one for ARRA expenditures and one for non-ARRA expenditures.

9. Column heading **Grantor Name** (Excel column M) – GRANTOR NAME – This column is used to indicate the name of the federal agency or pass-through entity from which the grant or other assistance is received. If the assistance was

received directly from the federal government, this column should contain the name of the controlling federal agency that corresponds with the number entered in the Fed Agy column (see #13 below). If the assistance was received from a pass-through entity, this column should contain the **full official name** of the entity (i.e., 'Georgia Institute of Technology', **not** 'Georgia Tech'). DO NOT ABBREVIATE.

For grants received directly from the federal government, if the grantor agency listed in the grant agreement or contract is one of the sub-agencies shown in **Schedule A**, this column should contain the name of the controlling federal agency **exactly as listed in Schedule A** (i.e., if the grant agreement shows the grantor as the Forest Service, enter 'Department of Agriculture' in this column as the grantor name; if the grant agreement shows the grantor as the Food and Drug Administration, enter 'Department of Health and Human Services' in this column as the grantor name).

10. Column heading **State Agency/Institution Name** (Excel column O) – STATE AGENCY/INSTITUTION NAME – This column is used to indicate the name of your agency, NOT the federal grantor. DO NOT ABBREVIATE or use 'Department of' in front of your agency name (i.e., 'Transportation', **not** 'TDOT' or 'Department of Transportation').

11. Column heading **Program Name** (Excel column Q) – PROGRAM NAME – This column is used to indicate the **official** program title (not the popular name) as listed in the Catalog of Federal Domestic Assistance (CFDA). The CFDA can be downloaded or searched at www.cfda.gov. Enter the **full** program name, even if the name is longer than the Excel column width. Use all punctuation, abbreviations, and capitalization **exactly** as shown in the CFDA, with the following exceptions:

    a. For ARRA grants, the program name **must** include the prefix 'ARRA-' and then the program name, even if 'ARRA-' is not already included in the program name in the CFDA (i.e., 'ARRA-Highway Planning and Construction').

    b. For grants where the program name in the CFDA has changed since the grant was originally awarded, enter the program name from when the grant was originally awarded, **not** the current CFDA program name.

    NOTE – ARRA requires that all ARRA assistance be reported separately from non-ARRA assistance. Grants that include both ARRA and non-ARRA expenditures **must** be reported on two separate lines, one for ARRA expenditures and one for non-ARRA expenditures.

NOTE – If no CFDA number is available, the program name must **clearly** describe the federal award. The federal agency or pass-through entity is required to provide this information.

NOTE – Program names in Edison are sometimes abbreviated or truncated because the number of characters in the field is limited. Use **full** program names as listed in the CFDA.

12. Column heading **Grant Period** (Excel column S) – GRANT PERIOD – This column is used to indicate the beginning and ending dates of the grant or contract as specified by the grantor. All dates should be formatted as **mm/dd/yy-mm/dd/yy** (i.e., 10/01/14-09/30/15). For grants with no specific beginning and/or ending date(s), 'UNKNOWN' may be used.

13. Column heading **Fed Agy** (Excel column U) – FEDERAL AGENCY – This column is used to indicate the federal agency from which the assistance originates. A two-digit number has been assigned to each federal agency, and this column should contain that number. For grants with a CFDA number, enter the first two digits of the CFDA number. For grants without a CFDA number, see **Schedule A** for a list of federal agencies and their assigned two-digit numbers. For example, if the assistance originated with the Department of Agriculture, this column should contain the number '10'; if the assistance originated with the Environmental Protection Agency, this column should contain the number '66'. If the originating federal agency for a particular grant is not included in Schedule A as either a controlling federal agency or a subagency, enter the number '99' in this column.

    For grants received directly from the federal government, the federal agency name shown in the Grantor Name column should correspond with the federal agency number in this column. For grants received from pass-through entities, this column should contain the number of the federal agency from which the funds originated.

14. Column heading **CFDA #** (Excel column W) – CFDA NUMBER – This column is used to indicate the CFDA number associated with the specific grant. The CFDA can be downloaded or searched online at www.cfda.gov. If the CFDA number is not available, 'UNKNOWN' may be used, but the unavailability of a CFDA number is relatively uncommon and should be verified with the granting agency before 'UNKNOWN' is used.

    NOTE – If 'UNKNOWN' is used in this column, the Grantor Name column **must** contain either the originating federal agency's name or the pass-through entity's full official name, the Fed Agy column **must** contain the two-digit number of the originating federal agency, **AND** the Other Identifying # column **must** contain an other identifying number.

15. Column heading **<u>Other Identifying #</u>** (Excel column Y) – OTHER IDENTIFYING NUMBER – This column is used to indicate the specific award number assigned by the federal agency or pass-through entity. **This is not an internally-assigned number.** If no such number exists, 'UNKNOWN' may be used.

    NOTE – This column **must** contain an other identifying number if the grant is received from a pass-through entity **and/or** the grant has no CFDA number. An other identifying number should also be entered for each R&D grant, if available.

    NOTE – The 'Ref Awd Num' entered in Edison will typically be the other identifying number to be entered in this column. If there is any uncertainty about the award number associated with any assistance, contact the federal awarding agency or pass-through entity.

16. Column heading **<u>Expenditures/Issues</u>** (Excel column AA) – EXPENDITURES/ISSUES – This column is used for the amount of cash and noncash awards expended during the year ended June 30, 2015. The amounts in this column should be calculated using the **accrual** basis of accounting, NOT the **cash** basis. The amounts **should** include accrued liabilities established at June 30, 2015 but **should not** include FY15 payments of accrued liabilities established prior to July 1, 2014. Amounts in this column should be reduced by refunds of prior year expenditures made during FY15.

    Program income can be used in one of three ways: to reduce the amount of grant expenditures; to increase the spending authority under the grant; or to help meet matching requirements of the grant. If the grant notice does not specify how to use program income, it **must** be used to reduce the amount of grant expenditures.

    Include a grand total in this column two rows below the last listed grant. Do not include subtotals in the body of the schedule.

    NOTE – All amounts, except the grand total, should be entered as numbers (**not** as formulas or links to other cells or worksheets) rounded to two decimal places.

    NOTE – See OMB Circular A-133 for the rules for valuing and reporting noncash awards.

B. **<u>Reconciliations</u>**

Amounts reported on the SEFA **must** be reconciled with Edison query **TN_GR06_SEFA_EXP** and with the general ledger. All reconciling items must be clearly documented. Any federal expenditures not accounted for using the Edison grant module (i.e., an exception to Finance and Administration Policy 20 was granted, or noncash assistance was received) must be added to the SEFA and documented on the reconciliation as reconciling items between TN_GR06_SEFA_EXP and the general ledger. For tips on reconciling the SEFA to TN_GR06_SEFA_EXP and the general ledger, refer to the FY15 Division of Accounts Grant Operational Closing Procedures.

1. A pre-formatted Excel shell file, along with recommended guidelines for completion and an example of a completed file, will be available for download in the Job Aids section of the Division of Accounts website. It is **recommended** that this shell file be used to document these SEFA reconciliations. For an example of a recommended format for completing and summarizing these reconciliations, see **Exhibit 3**.

2. If federal financial reports are required by the awarding federal agency, amounts reported on the SEFA **must** also be reconciled with federal financial reports.

3. If federal financial reports are **not** required by the awarding federal agency, procedures for reconciling amounts reported on the SEFA to federal draws should be submitted to the Division of Accounts.

C. **<u>SEFA Checklist</u>**

The **SEFA checklist** is a tool to help ensure that the SEFA is completed per instructions. To complete the checklist:

1. Download the checklist file from the Job Aids section of the Division of Accounts website and save as a Word file.

2. Enter the name of your agency in the box at the top of the checklist.

3. For each question, click in the appropriate box (Yes, No, or N/A).

4. Save the completed checklist as a pdf file –

    a. In Word, click the File tab at the top of the document.

    b. Click ‘Save & Send’.

    c. Click ‘Create PDF/XPS Document’.

    d. Click ‘Create PDF/XPS’.

    e. Click ‘Publish’.

III. <u>Supplementary Information Schedule (SIS)</u>

A. **<u>Contents of the SIS</u>** – The information to be included on the SIS is detailed below. For an example of the SIS, see **Exhibit 2**.

1. General SIS information –

   a. Edison query **TN_GR06S_SEFA_SUPPL** should be used to prepare the SIS. Any federal expenditures not accounted for using the Edison grant module (i.e., an exception to Finance and Administration Policy 20 was granted, or noncash assistance was received) must be included in the SIS and documented as reconciling items on the reconciliation between Edison query TN_GR06S_SEFA_SUPPL and the general ledger (see section III.B. Reconciliations).

   b. A pre-formatted Excel spreadsheet to be used in preparing the SIS will be available for download in the Job Aids section of the Division of Accounts website. **The SIS for FY15 must be prepared using the FY15 pre-formatted Excel spreadsheet**.

   c. The font on the pre-formatted schedule is Times New Roman, font size 7.5. The Expenditures/Issues column is formatted as Accounting, two decimal places, no symbol; all other columns are formatted as text.

   d. Grants should be listed single-spaced beginning on Excel row 16.

   e. Information should not be entered in all capital letters (i.e., Head Start, **not** HEAD START), unless the CFDA is formatted in all capital letters.

2. Header – Enter all header information in Excel column C.

3. Column heading **<u>State Grantor Agency/Institution Name</u>** (Excel column A) – STATE GRANTOR AGENCY/INSTITUTION NAME - This column is used to indicate the name of the state agency or institution through which federal assistance was received. DO NOT ABBREVIATE or use ‘Department of’ in front of the agency name (i.e., enter ‘Transportation’, not ‘TDOT’ or ‘Department of Transportation’).

4. Column heading **<u>Program Name</u>** (Excel column C) – PROGRAM NAME – This column is used to indicate the **official** program title (not the popular name) as listed in the Catalog of Federal Domestic Assistance (CFDA). The CFDA can be downloaded or searched at www.cfda.gov. Enter the **full** program name, even if the name is longer than the Excel column width. Use all punctuation, abbreviations, and capitalization **exactly** as shown in the CFDA, with the following exceptions:

a. For ARRA grants, the program name **must** include the prefix 'ARRA-' and then the program name, even if 'ARRA-' is not already included in the program name in the CFDA (i.e., 'ARRA-Highway Planning and Construction).

b. For grants where the program name in the CFDA has changed since the grant was originally awarded, enter the program name from when the grants was originally awarded, **not** the current CFDA program name.

NOTE – ARRA requires that all ARRA assistance be reported separately from non-ARRA assistance. Grants that include both ARRA and non-ARRA expenditures **must** be reported on two separate lines, one for ARRA expenditures and one for non-ARRA expenditures.

NOTE – Program names in Edison are sometimes abbreviated or truncated because the number of characters in the field is limited. Use **full** program names as listed in the CFDA.

5. Column heading **Contract Period** (Excel column E) – CONTRACT PERIOD – This column is used to indicate the beginning and ending dates of the grant or contract as specified by the state grantor. All dates should be formatted as **mm/dd/yy-mm/dd/yy** (i.e., 10/01/14-09/30/15). For grants with no specific beginning and/or ending date(s), 'UNKNOWN' may be used.

6. Column heading **CFDA #** (Excel column G) – CFDA NUMBER – This column is used to indicate the CFDA number associated with the specific grant. The CFDA can be downloaded or searched online at www.cfda.gov. If the CFDA number is not available, 'UNKNOWN' may be used, but the unavailability of a CFDA number is relatively uncommon and should be verified with the granting agency before 'UNKNOWN' is used.

7. Column heading **Contract #** (Excel column I) – CONTRACT NUMBER – This column is used to indicate the contract number from the pass-through agreement between your agency and another state agency or institution.

8. Column heading **Expenditures/Issues** (Excel column K) – EXPENDITURES/ ISSUES - This column is used for the amount of cash and noncash awards expended during the year ended June 30, 2015. The amounts in this column should be calculated using the **accrual** basis of accounting, NOT the **cash** basis. The amounts **should** include accrued liabilities established at June 30, 2015 but **should not** include FY15 payments of accrued liabilities established prior to July 1, 2014. Amounts in this column should be reduced by refunds of prior year expenditures made during FY15.

Program income can be used in one of three ways: to reduce the amount of grant expenditures, to increase the spending authority under the grant, or to help meet matching requirements of the grant. If the grant notice does not specify how to use program income, it **must** be used to reduce the amount of grant expenditures.

Include a grand total in this column two rows below the last listed grant. Do not include subtotals in the body of the schedule.

NOTE – All amounts, except the grand total, should be entered as numbers (**not** as formulas or links to other cells or worksheets) rounded to two decimal places.

NOTE – See OMB Circular A-133 for the rules for valuing and reporting noncash awards.

B. **Reconciliations**

Amounts reported on the SIS **must** be reconciled with Edison query **TN_GR06S_SEFA_SUPPL** and with the general ledger. All reconciling items must be clearly documented. Any federal expenditures not accounted for using the Edison grant module (i.e., an exception to Finance and Administration Policy 20 was granted, or noncash assistance was received) must be included in the SIS and documented as reconciling items on the reconciliation between TN_GR06S_SEFA_SUPPL and the general ledger. For tips on reconciling the SIS to TN_GR06S_SEFA_SUPPL and the general ledger, refer to the FY15 Division of Accounts Grants Operational Closing Procedures.

For an example of a recommended format for completing and summarizing these reconciliations by Edison project, see **Exhibit 4**; a pre-formatted spreadsheet, along with guidelines for completion, will be available for download in the Job Aids section of the Division of Accounts website.

IV. Validation Form

The **validation form** is a tool to help ensure that the proper Edison reports and queries have been run and verified. To complete the validation form:

A. Download the validation form file from the Job Aids section of the Division of Accounts website and save as a Word file.

B. Enter your agency's business unit in the box at the top of the form.

C. Follow the instructions on the form for filling in the check boxes.

D. After the check boxes have been filled in, print the form and write the name of the agency's fiscal officer and the date at the bottom of the form.

E. Have the form signed by the fiscal officer him/herself (**not** a designee).

F. Scan the completed and signed form and save it as a pdf file.

V. <u>Submitting Schedules to the Division of Accounts</u>

A. Email the following as separate files to Randy Ross –

1. SEFA (Excel, only one per agency).
2. Edison query TN_GR06_SEFA_EXP (Excel).
3. SEFA Reconciliations (Excel).
4. Completed SEFA checklist (pdf).
5. SIS (Excel, only one per agency).
6. Edison query TN_GR06S_SEFA_SUPPL (Excel).
7. SIS Reconciliations (Excel).
8. Any other supporting documentation.

B. In a separate email **directly from the fiscal officer**, submit the completed and signed validation form (pdf).

C. Do not submit paper copies.

VI. <u>Revisions of Schedules</u>

When a previously submitted SEFA or SIS needs to be revised (whether the revision was discovered by the agency or by State Audit) –

A. Notify the Division of Accounts immediately. A copy of the previously submitted SEFA and/or SIS will be emailed.

B. On the revised schedule –

1. In the header, enter the date of the revision and 'Revised' in the appropriate rows.

2. In cells or rows with information that has been **changed** or **added**, change the fill color to **yellow**.

3. For any information that is to be **deleted**, delete **only** the data, then change the fill color in the now-empty cells or rows to **yellow**.

C. Email the revised schedule(s) and support for the revision(s) to Randy Ross as described above.

D. A revised validation form **must** also be submitted separately, as described above.

VII. Questions

Direct any questions regarding these procedures to:

Randy Ross – (615) 741-9752 – randy.ross@tn.gov

Thad Sanders – (615) 253-2159 – thad.sanders@tn.gov